

Louisiana Housing Finance Agency

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BULLETIN

TO: PARTICIPATING LENDERS/BROKERS

FROM: LOUISIANA HOUSING FINANCE AGENCY

RE: AVAILABLE FUNDS

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PLEASE DISTRIBUTE THIS BULLETIN TO ALL OF YOUR OFFICES  
(Make sure all Managers, Loan Officers, and Processors receive a copy of this bulletin)

PROGRAM –2009A	Assistance	RATE	AMOUNT
Assisted Program	4.0%	6.10%	\$7,903,654
HOME/MRB Program	4.50% - 9.0% based on mortgage amount	4.10%	\$432,723
CDBG/MRB Program	4.50% - 9.0% based on mortgage amount	4.11%	\$1,472,473
Low Rate – Homebuyer Tax Credit Program	Homebuyer Tax Credit Advance Up to \$5,000	5.60% - 1 <sup>st</sup> Mortgage 7.60% - 2 <sup>nd</sup> Mortgage Advance	\$543,302

Maximum CDBG/MRB Funds Available by Parish  
(First Come First Served for Remaining Balance Listed Above)

- Acadia - \$10,290
- Calcasieu - \$723,037
- Cameron - \$484,120
- Iberia - \$138,320
- Jefferson - \$371,599
- Plaquemines - \$173,794
- St. Tammany - \$325,283
- Tangipahoa - \$6,351
- Terrebonne - \$207,480
- Vermilion - \$276,640
- Washington - \$207,480

Assisted Program Deadlines

Compliance Package Deadline to LHFA is **December 28, 2009**  
Final Loan Closing Deadline is **January 11, 2010**  
Mortgage Loan Sale Deadline to Standard Mortgage Corporation is **February 8, 2010**

HOME/MRB & CDBG/MRB Deadlines

Compliance Package Deadline to LHFA is **December 28, 2009**  
Final Loan Closing Deadline is **January 11, 2010**  
Mortgage Loan Sale Deadline to Standard Mortgage Corporation is **February 8, 2010**

Low Rate – Homebuyer Tax Credit Program

Compliance Package Deadline to LHFA is **December 15, 2009**  
Final Loan Closing Deadline is **December 31, 2009**  
Mortgage Loan Sale Deadline to Standard Mortgage Corporation is **January 15, 2010**

## **“NEW FOR 2009”**

- ✓ **Low Rate – Homebuyer Tax Credit Program** – guidelines that apply:
  - Up to \$5,000 per borrower to be used toward down payment, closing costs, and prepaid items.
  - Borrower must qualify for the \$8,000 First-Time Homebuyer Tax Credit.
  - All loans must close on or before 12/31/09.
  - The Low Rate loan must be utilized in concert with the Homebuyer Tax Credit Program.
  - After the initial deferral period through 6/30/10, the loan will fully amortize over ten years, with payments starting 8/1/10, w/interest rate of 7.60% unless the Agency is repaid in full with the borrowers federal tax credit refund.
  - Loans must comply with MRB Standard Income & Purchase Price limits.
  - Second mortgage loan payment must be included in the Debt to Income Ratio.
  - \$100 Application Fee is required for the Tax Credit Program along with the \$75.00 Compliance Fee. The \$175 is payable to Louisiana Housing Finance Agency or LHFA and must be included in the compliance package upon submission, personal checks are **NOT** permitted.
  - Credit score minimum of 620 is required.
  - The Homebuyer Tax Credit Program requires the borrower receive a disclosure detailing information on the terms of the loan, the tax credit, and the option to repay LHFA through the federal tax credit. The Homebuyer Tax Credit Disclosure is attached to this bulletin and will be posted to the Agency website at [http://www.lhfa.state.la.us/programs/homeownership/sf\\_downloads.php](http://www.lhfa.state.la.us/programs/homeownership/sf_downloads.php).
  - LHFA will provide the note and mortgage for the second mortgage with instructions and they will be posted to the Agency website at: [http://www.lhfa.state.la.us/programs/homeownership/sf\\_downloads.php](http://www.lhfa.state.la.us/programs/homeownership/sf_downloads.php).
  - The second lien may not exceed the total needed for the down payment, closing costs, and prepaid items – no cash back to borrower allowed.
  - Single Family Property (1 unit) only.

**NOTE:** Immediately upon receiving final approval from the compliance specialist for the Low Rate-Tax Credit Program loan, please fax the name, contact information, the 1099A and wiring instructions for the designated title company so that the funds may be wired. Please note that failure to timely provide this information may result in the funds being unavailable for the closing. The title company will be required to fax the final HUD-I to the Agency prior to the funds being wired.

- ✓ **Credit Score Requirement** – all loans reserved **MUST** have a minimum credit score of **≥ 620**. Findings Report must be submitted to Standard Mortgage, Master Servicer for underwriting and purchase.
- ✓ **Mortgage Disclosure Improvement Act** – Revisions to the Truth in Lending Act affects Brokers reserving loans through the Agency. Standard Mortgage, Master Servicer has provided procedures regarding issuance of early disclosure documents that is attached to this distribution. Due to the new Disclosure requirements, please note that once a loan application is received by Standard Mortgage (broker, correspondent or lender loans) **NO OTHER** changes can be made to the loan by LHFA. If it is necessary to change loan type, for example from an assisted to a low rate loan, the loan must be cancelled and re-reserved (based upon fund availability).
- ✓ **Borrower Origination Fee** all loans – **0.75%**.
- ✓ **Master Servicer’s Servicing Acquisition Fee** all loans – **1.25%**.
- ✓ **Total Lender Compensation** all loans – **2.0%**.
- ✓ **HDS Upgrade – Single Family Loan Management** – will automatically:
  - Send out notices of impending deadlines (exceptions, program deadlines, reservation deadlines, etc.).
  - Loans will be cancelled if no activity at 61 days w/confirmation sent to the lender.
- ✓ **Link to - New Upgraded Mortgage Compliance Reservation System:**  
<http://webapps4.lhfa.state.la.us>

**NOTE:** Visit the website below to obtain your User Name and Password if needed and once on the main page click “SF ID Request Form”. The Agency strongly advises that every person needing access to the system should have their own User Name and Password to avoid any confusion in the future with reservations.

[http://www.lhfa.state.la.us/programs/homeownership/first\\_time\\_homebuyer.php](http://www.lhfa.state.la.us/programs/homeownership/first_time_homebuyer.php)

- ✓ **List Serve** – The Agency has added a new feature titled “List Serve” to ensure everyone interested can receive the SF communication distributions. This feature allows anyone to be added or removed from the distribution list. If you are currently receiving the Agency’s communications, they will continue. Every month a notice will be sent via email confirming if you would like to continue receiving the SF communication distributions. If you choose to be removed, please follow the message on the monthly List Serve notification received.

### **Important Reminders**

- ✓ **2009A Bond Program** – for all reservations, fax or email a completed Exhibit K along with the completed, signed, and dated 1003 application (Reservation Request) to the Agency..
  - If funds are available or as the funds become available, the Agency will reserve the funds and send a “Reservation Notification” to the lender/broker.
- ✓ **Loan Confirmation Report** – should be included in the compliance package upon submission to the Agency and Master Servicer.
- ✓ **ALERT** – Borrowers participating in the 2008B or 2009A Bond Issues that are seeking to refinance or payoff their current 1<sup>st</sup> Mortgage serviced by SMC must keep in mind that the 2<sup>nd</sup> Mortgage must be repaid to the Agency and will not be re-subordinated. The 2<sup>nd</sup> Mortgage Note signed by the borrower’s at closing states: ***“This Note shall become due & payable prior to the Maturity Date upon the sale or other disposition by the Borrower of the residence financed by this Note or upon refinance of the Senior Note prior to the Maturity Date”.***
- ✓ **Underwriting** all loans reserved by Brokers must submit to Standard Mortgage, Master Servicer for underwriting and purchase. Correspondent Lenders w/ designated underwriting staff do not need to send to Standard Mortgage for approval, only for purchase.
- ✓ **Exhibit E & Final HUD-I** – Submit to the Agency once the loan has closed. The original **GFE** will be compared to the **Final HUD-I** to ensure consistency in fees charged.
- ✓ **Adverse Market Fee** - .25% will be charged on the following loans:
  - All HOME/MRB Loans
  - All Conventional Loans**NOTE:** FHA, VA, and Rural Development loans do not require this fee unless a HOME/MRB loan.